

Message Text

LIMITED OFFICIAL USE

PAGE 01 ANKARA 00310 140738Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-06
CEA-01 PA-01 PRS-01 AGRE-00 /084 W
-----014550 140741Z /11

R 131245Z JAN 78 ZDK
FM AMEMBASSY ANKARA
TO SECSTATE WASHDC 198
INFO AMEMBASSY BONN
AMEMBASSY THE HAGUE
AMAMEBSSY BERN 101
AMCONSUL ISTANBUL
AMCONSUL IZMIR
AMCONSUL ADANA POUCH

LIMITED OFFICIAL USE ANKARA 0310

E.O. 11652: NA
TAGS: EFIN, TU
SUBJECT: REPORTED "BLACK MARKET" FINANCING OF TURKISH IMPORTS

REF: ANKARA 0247 NOTAL

1. IN CONVERSATION WITH TURKISH BUSINESSMEN, VISA APPLICANTS, AMERICAN BANKERS, AND, ONE OR TWO CASES, CENTRAL BANK OFFICIALS, EMBASSY HAS LEARNED OF A PRECEDURE FOR FINANCING OF TURKISH IMPORTS ALLEGEDLY WITH "BLACK MARKET" HARD CURRENCY.

2. AS WE UNDERSTND PROCEDURE, AGENTSOF TURKISH IMPORTERS SEEK OUT TURKISH WORKERS IN EUROPE, PARTICULARLY FRG, WHO HAVE ACCUMULATED HARD CURRENCY SAVINGS FROM THEIR EARNINGS, OFFERING TO DEPOSIT TURKISH LIRA IN WORKERS' ACCOUNTS IN TURKEY IN EXCHANGE,AT A VERYFAVORABLE RATE, FOR HARD CURRENCY DEPOSITS MADE BY THE WORKERS IN IMPORTERS' ACCOUNTS IN EUROPE. TURKISH
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ANKARA 00310 140738Z

IMPORTERS THEN USE HARD CURRENCY ACCOUMLATED IN THIS MANNER AS "BOND" AGAINST LATER PAYMENT FOR GOODS EXPORTED TO TURKEY ON A CASH-AGAINST-GOODS BASIS.

3. WITH IMPORT DOCUMENTS IN HAND, IMPORTERS THEN APPLY TO THE CENTRAL BANK FOR FOREIGN EXCHANGE, KNOWING, OF COURSE, THAT INDEFINITE DELAY WILL ENSUE. CENTRAL BANK, WHICH HAS NOT

AUTHORIZED TRANSFERS OF FOREIGN EXCHANGE FOR ANY BUT ESSENTIAL IMPORTS SINCE LAST FEBRUARY, CARRIES THESE APPLICATIONS AS PENDING CLAIMS AGAINST FOREIGN EXCHANGE RESERVES, WITHOUT REGARD TO FACT THAT PAYMENT MAY ALREADY HAVE BEEN MADE, AT LEAST IN PART, OUTSIDE COUNTRY. IT APPEARS THAT TURKISH AUTHORITIES ARE AWARE AT LEAST OF EXISTENCE OF PRACTICE, THOUGH THEY MAY NOT KNOW SPECIFICS OF EACH CASE.

4. WE HAVE HEARD RUMORS OF SINGLE TRANSACTIONS OF \$80 MILLION FINANCED IN THIS MANNER, ALTHOUGH THIS SEEMS UNLIKELY. ONE KNOWLEDGEABLE AMERICAN BANKER ESTIMATES THAT \$100 MILLION A MONTH IS INVOLVED, AND CENTRAL BANK OFFICIAL RECENTLY ACKNOWLEDGED TO US (REFTEL) THAT SUCH TRANSACTIONS SINCE AUGUST 1977 COULD HAVE TOTALED \$300-500 MILLION.

5. COMMENT. THIS PRACTICE, IF IT DOES IN FACT EXIST AS DESCRIBED, HAS AT LEAST THREE NOTABLE RESULTS:

A. IT MUST DISTORT TURKISH BALANCE OF PAYMENTS PICTURE BY IN EFFECT OMITTING SIGNIFICANT AMOUNTS OF SHORT-TERM FINANCING WHICH SHOULD ACTUALLY BE ACCOUNTED AS OFFSETTING INFLOWS AGAINST BASIC BOP DEFICIT.

B. IT MAY BE PARTLY RESPONSIBLE FOR FAILURE OF WORKERS' REMITTANCES TO RESPOND TO RECENT EXCHANGE RATE ADJUSTMENTS INTENDED TO STIMULATE SUCH INFLOWS, AND LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ANKARA 00310 140738Z

C. IT PROBABLY TENDS TO PUT US EXPORTERS, WHO LACK READY ACCESS TO LARGE COMMUNITY OF TURKISH WORKERS, AT A COMPETITIVE DISADVANTAGE WITH RESPECT TO FINANCING OF EXPORTS AS COMPARED WITH WEST GERMANS, SWISS, DUTCH, AND OTHERS.

6. WOULD APPRECIATE ANY ADDITIONAL INFORMATION ON THIS SUBJECT INFO ADDRESSES MAY BE ABLE TO OFFER.
SPIERS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IMPORTS, BLACK MARKETS, FINANCIAL CONTRIBUTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978ANKARA00310
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780021-1114
Format: TEL
From: ANKARA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780167/aaaaceiy.tel
Line Count: 103
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: ad2cfce3-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 ANKARA 247
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3780009
Secure: OPEN
Status: NATIVE
Subject: REPORTED \"BLACK MARKET\" FINANCING OF TURKISH IMPORTS
TAGS: EFIN, TU
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/ad2cfce3-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014